

BASIS NOTE FOR THE PROPOSAL TO INCREASE THE SHARE CAPITAL OF CEMACON S.A.

Consistent with its growth strategy, CEMACON S.A. focuses its efforts on expanding the product offering and on making the transition to renewable energy. In order to expand the product offer, the company is carrying out an investment project for the construction of a new factory that will produce ceramic cladding elements for lintels and facade elements. Proposing to shareholders the most ambitious investment budget of the last 10 years, worth over 20 million euros, the company is concerned with diversifying funding sources to expand product offerings and investment projects proposed to shareholders through investment plans in the last two years. The management of CEMACON S.A. permanently evaluates the possibility of optimizing the activity by implementing investments in the existing production lines, as well as the possibility of developing new production capacities, in accordance with the needs of the Romanian construction market.

At the same time, the company is oriented towards the transition to the use of renewable energy resources, aiming to reduce the footprint on the environment and the best practices in the field. Thus, we invest in monitoring energy consumption and in ensuring a higher percentage of energy consumption from our own resources; in this sense, the year 2021 marked the completion of the implementation of two projects with non-reimbursable financing with a value of over 2 million euros with immediate impact on the business. This year, the company wants, by accessing co-financing through Norwegian and European funds, to install photovoltaic panels that will help cover its own and alternative resources for electricity consumption.

Considering the significant investment plan proposed to be approved by the shareholders, the management of CEMACON SA considers it opportune to carry out a capital increase operation through which to partially finance the company's growth strategy and the transition to renewable energy.

Thus, the company's management proposes to the shareholders that, in order to diversify the financing sources, to approve the increase of the share capital by issuing a number of 429,805,503 shares with a nominal value of 0.1000 lei per share and an issue value of 0.1500 lei / share. The increase operation proposed to the shareholders aims to obtain an additional cash of 64,470,825 lei.

Board of Directors

Through Mr. Daniel Sologon - President